

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 174

Introduced by Prokop, 27.

Read first time January 13, 2025

Committee: Judiciary

1 A BILL FOR AN ACT relating to wages subject to garnishment; to amend
2 section 25-1558, Reissue Revised Statutes of Nebraska; to change
3 provisions relating to an exception for medical debts; to define
4 terms; to harmonize provisions; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 25-1558, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 25-1558 (1) Except as provided in subsections ~~subsection~~ (2) and (3)
4 of this section, the maximum part of the aggregate disposable earnings of
5 an individual for any workweek which is subject to garnishment shall not
6 exceed the lesser of the following amounts:

7 (a) Twenty-five percent of his or her disposable earnings for that
8 week;

9 (b) The amount by which his or her disposable earnings for that week
10 exceed thirty times the federal minimum hourly wage prescribed by 29
11 U.S.C. 206(a)(1) in effect at the time earnings are payable; or

12 (c) Fifteen percent of his or her disposable earnings for that week,
13 if the individual is a head of a family.

14 (2) The restrictions of subsection (1) of this section shall not
15 apply in the case of:

16 (a) Any order of any court for the support of any persons;

17 (b) Any order of any court of bankruptcy under Chapter XIII of the
18 Bankruptcy Act; or

19 (c) Any debt due for any state or federal tax.

20 (3) The maximum part of the aggregate disposable earnings of an
21 individual for any workweek which is subject to garnishment for medical
22 debt sought by medical debt buyers or medical creditors shall not exceed
23 the lesser of the following amounts:

24 (a) Ten percent of his or her disposable earnings for that week;

25 (b) The amount by which his or her disposable earnings for that week
26 exceed thirty times the federal minimum hourly wage prescribed by 29
27 U.S.C. 206(a)(1) in effect at the time earnings are payable; or

28 (c) Twenty percent of his or her disposable earnings for that week,
29 if the individual is not a head of a family, as established by specific
30 factual allegations from the judgment creditor in a sworn affidavit.

31 (4) (3) No court shall make, execute, or enforce any order or

1 process in violation of this section. The exemptions allowed in this
2 section shall be granted to any person so entitled without any further
3 proceedings.

4 ~~(5)~~ (4) For the purposes of this section:

5 (a) Earnings shall mean compensation paid or payable by an employer
6 to an employee for personal services, whether denominated as wages,
7 salary, commission, bonus, or otherwise, and includes periodic payments
8 pursuant to a pension or retirement program;

9 (b) Disposable earnings shall mean that part of the earnings of any
10 individual remaining after the deduction from those earnings of any
11 amounts required by law to be withheld;

12 (c) Garnishment shall mean any legal or equitable procedure through
13 which the earnings of any individual are required to be withheld for
14 payment of any debt; ~~and~~

15 (d) Head of a family shall mean an individual who actually supports
16 and maintains one or more individuals who are closely connected with him
17 or her by blood relationship, relationship by marriage, by adoption, or
18 by guardianship, and whose right to exercise family control and provide
19 for the dependent individuals is based upon some moral or legal
20 obligation; ~~and -~~

21 (e) Health care services means services for the diagnosis,
22 prevention, treatment, cure, or relief of a physical, dental, behavioral,
23 or mental health condition, illness, injury, or disease, including a
24 substance use disorder. Such services include, but are not limited to,
25 any procedures, products, devices, or medications;

26 (f) Medical debt means a debt arising from the receipt of health
27 care services;

28 (g) Medical debt buyer means a person or entity that is engaged in
29 the business of purchasing medical debts for collection purposes, whether
30 it collects the debt itself or hires a third party for collection or an
31 attorney for litigation in order to collect such debt; and

1 (h) Medical creditor means any entity that provides health care
2 services and to whom the individual owes money for health care services,
3 or the entity that provided health care services and to whom the
4 individual previously owed money if the medical debt has been purchased
5 by one or more medical debt buyers.

6 (6) (5) Every assignment, sale, transfer, pledge, or mortgage of the
7 wages or salary of an individual which is exempted by this section, to
8 the extent of the exemption provided by this section, shall be void and
9 unenforceable by any process of law.

10 (7) (6) No employer shall discharge any employee by reason of the
11 fact that his or her earnings have been subjected to garnishment for any
12 one indebtedness.

13 (8) (7) In the case of earnings for any pay period other than a
14 week, the Commissioner of Labor shall by regulation prescribe a multiple
15 of the federal minimum hourly wage equivalent in effect to that set forth
16 in this section.

17 **Sec. 2.** Original section 25-1558, Reissue Revised Statutes of
18 Nebraska, is repealed.